

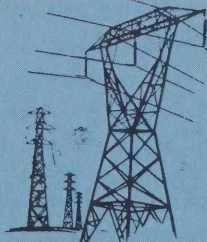
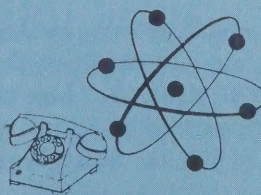


AR32

The purpose of Grouped Income Shares Limited is to provide to its shareholders the usual benefits of a mutual fund investment—reasonable income, possibility of capital growth, careful selection, professional management, security, and liquidity—plus benefits in the form of an unusual dividend policy, broader-than-average participation in United States investments and concentration in Can-

adian and U.S. common stocks of a growth nature.

The purpose of Grouped Investment Shares (Compound) is to provide a re-investment medium for the distributions of G.I.S. G.I.S. (Compound) reinvests the bulked net proceeds received from its holdings of G.I.S. in additional shares of G.I.S. at net asset value—adding to the value of each unit but not to the number of units held.



ANNUAL REPORT FOR THE FISCAL YEAR ENDED MARCH 31, 1969

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GROUPED INCOME SHARES LIMITED

GROUPED INVESTMENT SHARES (COMPOUND)

PRESIDENT'S REPORT TO THE SHAREHOLDERS

for the fiscal year ended March 31, 1969

TO THE SHAREHOLDERS OF G.I.S. AND UNITHOLDERS OF G.I.S. (COMPOUND)

It is a pleasure to submit the Annual Report of your fund for its fiscal year ended March 31, 1969, together with the financial statements, the investment portfolio evaluated at that date, complete performance records of your fund since its inception, and other general and statistical information.

Economic growth in Canada accelerated during 1968 with the Gross National Product for the year recorded at \$67.4 billion, approximately 8.5% in advance of the previous year. It may be noted, however, that prices rose 3.6% and that growth in real terms was accordingly up only 4.7%, and that corporate profit trends were excellent, being 17% higher in 1968 than in the previous year. With this background, it is not surprising that stock prices in Canada were buoyant during the year.

Economic activity, also burgeoning in the United States during 1968, was characterized by strong inflationary trends. In the middle of the year the Federal Government raised taxes in an effort to curb the persistent rise in prices. Late in 1968 and so far in 1969, this restrictive fiscal policy has been accompanied by considerably tighter monetary conditions. As a result of these restraining measures, stock prices in the United States have been in a sideways to downward trend since the summer of 1968.

The table below summarizes the trend of stock prices during the period under discussion and also shows how your fund fared in terms of relative performance:

	Dec. 31 1967	Mar. 31 1968	Dec. 31 1968	Mar. 31 1969	% Change	
					Dec. 67 to March 69	Mar. 68 to March 69
G.I.S.	4.18	3.72	4.83	4.62	+10.5	+24.2
G.I.S. (Compound)	9.36	8.44	11.30	11.02	+17.7	+30.6
Dow Jones Industrial Average	905.11	840.67	943.75	935.48	+ 3.4	+11.3
Toronto Stock Exchange Industrial Average	162.28	146.88	188.93	190.35	+17.3	+29.6

In terms of portfolio movement, the fund had an active year. Investments in the Consumer Products and Merchandising areas were substantially increased while holdings in the Aerospace and Electronic areas were cut back. The fund continued to maintain a substantial position in the petroleum industry and holdings of securities that are convertible into common stock were increased substantially.

The critical areas at the present time centre around the social and economic strains caused by the war in Vietnam and by the rapid rate of inflation. It is our view that both these problems are well on the way to being resolved. We continue to believe that the early 1970's will be a period of rapid growth of the economies of both the United States and Canada and it is therefore our opinion that common stocks will continue to serve investors well as a means of achieving capital growth.

Despite a minor reduction in the number of shares outstanding, the appreciation of portfolio holdings attributable to favorable market conditions resulted in a 20.2% increase in total assets of G.I.S. from \$25,939,587 at March 31, 1968 to \$31,168,160 at the close of the period under review. Net asset value of G.I.S. was \$4.62 per share at March 31, 1969, approximately 24.2% in advance of the March 31, 1968 figure of \$3.72. Reflecting the automatic reinvestment of the bulked net proceeds of G.I.S. distributions paid during the year, net asset value of G.I.S. (Compound) increased 30.6% from \$8.44 to \$11.02 per share.

In accordance with the policy of providing shareholders with distributions of not less than 5% per annum on the average daily offer price of G.I.S. shares, dividends totalling 24.75 cents per share were paid during the year ended March 31, 1969. "Stock" dividends, which are not currently and have not been in the past subject to Canadian Income Tax, amounted to 20.25 cents per share; "income" dividends, which are paid to the extent that earnings are available, amounted to 4.50 cents per share. Shareholders resident in Canada are presently entitled to claim a tax credit equal to 20% of the net "income" dividends.

Provision was made during the year for an increase in the size of the Board, and your management was privileged to welcome Dr. John D. Leishman of Vancouver, B.C. and Mr. John R. Davidson of Regina, Saskatchewan - both Governors of the associated M.F.M.C. group of Funds - as Directors of Grouped Income Shares Limited and Governors of Grouped Investment Shares (Compound).

To those shareholders who became investors in the Funds for the first time in the past year, we extend a cordial welcome; to those who have been shareholders for some time we offer our appreciation for their confidence and support. We renew our assurance to all members that it is our continuing objective to provide maximum investment service at minimum cost.

June 27, 1969.

On behalf of the Board of Directors,

LOWELL J. WILLIAMSON, *President.*

AUDITORS' REPORT

To the Shareholders of
Grouped Income Shares Limited
To the Unitholders of
Grouped Investment Shares (Compound)

We have examined the following financial statements:

GROUPED INCOME SHARES LIMITED:

Balance sheet as at March 31, 1969.

Statement of changes in net assets for the five years ended March 31, 1969.

Statement of changes in investments for the five years ended March 31, 1969.

Statement of earnings and retained earnings for the five years ended March 31, 1969.

Statement of capital redemption account for the five years ended March 31, 1969.

Statement of unrealized appreciation (depreciation) of investments for the five years ended March 31, 1969.

Portfolio of investments as at March 31, 1969.

GROUPED INVESTMENT SHARES (COMPOUND):

Assets and liabilities as at March 31, 1969.

Statement of changes in net assets for the period October 1, 1965 to March 31, 1969.

Statement of changes in investment for the period October 1, 1965 to March 31, 1969.

Statement of earnings for the period October 1, 1965 to March 31, 1969.

Statement of unrealized appreciation (depreciation) of investment for the period October 1, 1965 to March 31, 1969.

Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of Grouped Income Shares Limited and Grouped Investment Shares (Compound) as at March 31, 1969 and the results of their operations for the periods indicated, in accordance with generally accepted accounting principles applied on a consistent basis.

Vancouver, B.C.
May 1, 1969.

RIDDELL, STEAD & CO.
Chartered Accountants

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)



GROUPED INCOME SHARES LIMITED

BALANCE SHEET AS AT MARCH 31, 1969

ASSETS

Investments at quoted market value (Average cost - \$26,376,091)	\$30,838,277
Amounts due from brokers and other	675,335
Income receivable	103,041
Refundable tax	5,181
	<u>31,611,834</u>

LIABILITIES

Cash overdrawn	\$ 50,126
Amounts due to brokers	282,904
Other accounts payable	71,967
Income taxes	38,677
	<u>443,674</u>
TOTAL NET ASSETS	<u>\$31,168,160</u>

MEMBERS' EQUITY

CAPITAL STOCK (Notes 1 and 2)	
Common shares - authorized and issued 2,000 shares, 50 cents par value	\$ 1,000
	<u>Shares</u>
Mutual fund shares, 50 cent par value	
Authorized, less issued and redeemed	<u>14,439,070</u>
Issued and outstanding	<u>6,755,732</u>
	3,377,866
Preferred shares - 5% non-cumulative redeemable at 50 cents par value	
Authorized, less issued and redeemed	<u>5,438,640</u>
Issued and outstanding	<u>Nil</u>
CAPITAL REDEMPTION ACCOUNT	23,337,108
UNREALIZED APPRECIATION OF INVESTMENTS	4,452,186
RETAINED EARNINGS	—
	<u>\$31,168,160</u>

Signed on behalf of the Board:

A. D. Johnstone, Director
R. M. Butler, Director

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)

GROUPED INCOME SHARES LIMITED

STATEMENT OF EARNINGS AND RETAINED EARNINGS

FOR THE FIVE YEARS ENDED MARCH 31, 1969

	1969	1968	1967	1966	1965
INCOME FROM INVESTMENTS	\$ 652,890	\$ 676,632	\$ 868,088	\$ 809,320	\$ 672,771
EXPENSES					
Management fee - Grouped Fund					
Distributors Limited	161,220	140,299	129,655	131,225	113,860
Trustee fees and shareholder services	55,021	33,207	36,820	34,893	30,865
Legal and audit fees	3,198	2,319	10,078	6,451	11,909
Salaries, directors' fees and expenses	21,013	17,724	19,906	18,340	13,150
Printing and other expenses	23,306	18,030	9,254	7,586	7,561
	<u>263,758</u>	<u>211,579</u>	<u>205,713</u>	<u>198,495</u>	<u>177,345</u>
INCOME BEFORE PROVISION FOR TAXES	<u>389,132</u>	<u>465,053</u>	<u>662,375</u>	<u>610,825</u>	<u>495,426</u>
TAXES					
Foreign withholding tax	34,469	36,638	41,494	27,821	22,897
Canadian Income tax	75,090	70,330	139,454	84,713	58,621
	<u>109,559</u>	<u>106,968</u>	<u>180,948</u>	<u>112,534</u>	<u>81,518</u>
NET EARNINGS	<u>279,573</u>	<u>358,085</u>	<u>481,427</u>	<u>498,291</u>	<u>413,908</u>
RETAINED EARNINGS					
at beginning of year	—	—	—	—	—
Net dividend equalization adjustment					
transferred from (to) capital					
redemption account	(3,233)	(1,943)	5,782	22,197	5,275
Dividends (Note 1)	<u>(276,350)</u>	<u>(356,142)</u>	<u>(487,209)</u>	<u>(520,488)</u>	<u>(419,183)</u>
RETAINED EARNINGS at end of year	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>



GROUPED INCOME SHARES LIMITED

STATEMENT OF CHANGES IN INVESTMENTS FOR THE FIVE YEARS ENDED MARCH 31, 1969

	1969	1968	1967	1966	1965
INVESTMENTS at average cost, beginning of year	\$25,551,623	\$24,574,771	\$24,570,265	\$19,362,814	\$17,196,077
Add					
Cost of investments purchased	16,742,904	11,554,051	20,404,837	23,140,097	21,219,655
	<u>42,294,527</u>	<u>36,128,822</u>	<u>44,975,102</u>	<u>42,502,911</u>	<u>38,415,732</u>
Deduct					
Proceeds of investments sold	18,687,594	12,838,767	20,979,781	19,537,600	20,901,196
Gain on sale of investments	2,769,158	2,261,568	579,450	1,604,954	1,848,278
Cost of investments sold	<u>15,918,436</u>	<u>10,577,199</u>	<u>20,400,331</u>	<u>17,932,646</u>	<u>19,052,918</u>
INVESTMENTS at average cost, end of year	<u>\$26,376,091</u>	<u>\$25,551,623</u>	<u>\$24,574,771</u>	<u>\$24,570,265</u>	<u>\$19,362,814</u>

STATEMENT OF CHANGES IN NET ASSETS FOR THE FIVE YEARS ENDED MARCH 31, 1969

	1969	1968	1967	1966	1965
NET ASSETS at beginning of year	\$25,939,587	\$27,750,715	\$28,555,094	\$24,830,014	\$21,474,024
Add					
Sale of mutual fund shares	4,281,304	3,760,101	4,133,579	6,412,121	4,424,850
Gain on sale of investments	2,769,158	2,261,568	579,450	1,604,954	1,848,278
Net income from investments	279,573	358,085	481,427	498,291	413,908
Unrealized appreciation (depreciation) of investments ..	4,746,728	(2,347,482)	(1,675,205)	(1,320,459)	1,155,470
	<u>38,016,350</u>	<u>31,782,987</u>	<u>32,074,345</u>	<u>32,024,921</u>	<u>29,316,530</u>
Deduct					
Redemption of mutual fund shares	5,192,196	4,305,693	2,870,555	1,973,202	3,181,944
Dividends (Note 1)	1,655,994	1,537,707	1,453,075	1,496,625	1,304,572
	<u>6,848,190</u>	<u>5,843,400</u>	<u>4,323,630</u>	<u>3,469,827</u>	<u>4,486,516</u>
NET ASSETS at end of year	<u>\$31,168,160</u>	<u>\$25,939,587</u>	<u>\$27,750,715</u>	<u>\$28,555,094</u>	<u>\$24,830,014</u>
NET ASSET VALUE PER SHARE	<u>\$ 4.62</u>	<u>\$ 3.72</u>	<u>\$ 3.91</u>	<u>\$ 4.23</u>	<u>\$ 4.36</u>

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)

GROUPED INCOME SHARES LIMITED

STATEMENT OF CAPITAL REDEMPTION ACCOUNT

FOR THE FIVE YEARS ENDED MARCH 31, 1969

	1969	1968	1967	1966	1965
BALANCE at beginning of year	\$22,746,062	\$22,146,362	\$21,453,749	\$16,931,083	\$14,872,840
Add					
Proceed on sale of mutual fund shares in excess of par value ..	3,815,001	3,291,850	3,596,392	5,658,183	3,904,658
Gain on sale of portfolio securities	2,769,158	2,261,568	579,450	1,604,954	1,848,278
	<u>29,330,221</u>	<u>27,699,780</u>	<u>25,629,591</u>	<u>24,194,220</u>	<u>20,625,776</u>
Deduct					
Payments on redemption of mutual fund shares in excess of par value	4,616,692	3,774,096	2,511,581	1,742,137	2,804,029
Net dividend equalization adjustment transferred to (from) earned surplus	(3,223)	(1,943)	5,782	22,197	5,275
Dividends (Note 1)	1,379,644	1,181,565	965,866	976,137	885,389
	<u>5,993,113</u>	<u>4,953,718</u>	<u>3,483,229</u>	<u>2,740,471</u>	<u>3,694,693</u>
BALANCE at end of year	<u>\$23,337,108</u>	<u>\$22,746,062</u>	<u>\$22,146,362</u>	<u>\$21,453,749</u>	<u>\$16,931,083</u>

STATEMENT OF UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS

FOR THE FIVE YEARS ENDED MARCH 31, 1969

	1969	1968	1967	1966	1965
UNREALIZED APPRECIATION (DEPRECIATION) at beginning of year	\$ (294,542)	\$ 2,052,940	\$ 3,728,145	\$ 5,048,604	\$ 3,893,134
Net change during year	4,746,728	(2,347,482)	(1,675,205)	(1,320,459)	1,155,470
UNREALIZED APPRECIATION (DEPRECIATION) at end of year	<u>\$ 4,452,186</u>	<u>\$ (294,542)</u>	<u>\$ 2,052,940</u>	<u>\$ 3,728,145</u>	<u>\$ 5,048,604</u>

GROUPED INCOME SHARES LIMITED

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 1969

- During the year ended March 31, 1969, the company paid the following dividends to holders of common and mutual fund shares:

<u>Date</u>		<u>Preferred Shares Issued</u>	<u>Rate Per Share (b)</u>	<u>Charged to</u>	
				<u>Retained Earnings</u>	<u>Capital Redemption Account</u>
June 28, 1968	One preferred share for each 9.0909 common and mutual fund shares ..	745,739	5.50¢	\$ —	\$ 372,306
Sept. 30, 1968	Cash	—	2.00¢	133,986	—
	One preferred share for each 12.5000 common and mutual fund shares ..	534,908	4.00¢	—	267,973 (a)
Dec. 31, 1968	One preferred share for each 7.4074 common and mutual fund shares ..	889,908	6.75¢	—	445,286 (a)
Mar. 31, 1969	Cash	—	2.50¢	142,364	25,498
	One preferred share for each 12.5000 common and mutual fund shares ..	536,250	4.00¢	—	268,581
		<u>2,706,805</u>	<u>24.75¢</u>	<u>\$276,350</u>	<u>\$1,379,644</u>

(a) Includes cash payment in lieu of fractional preferred shares.

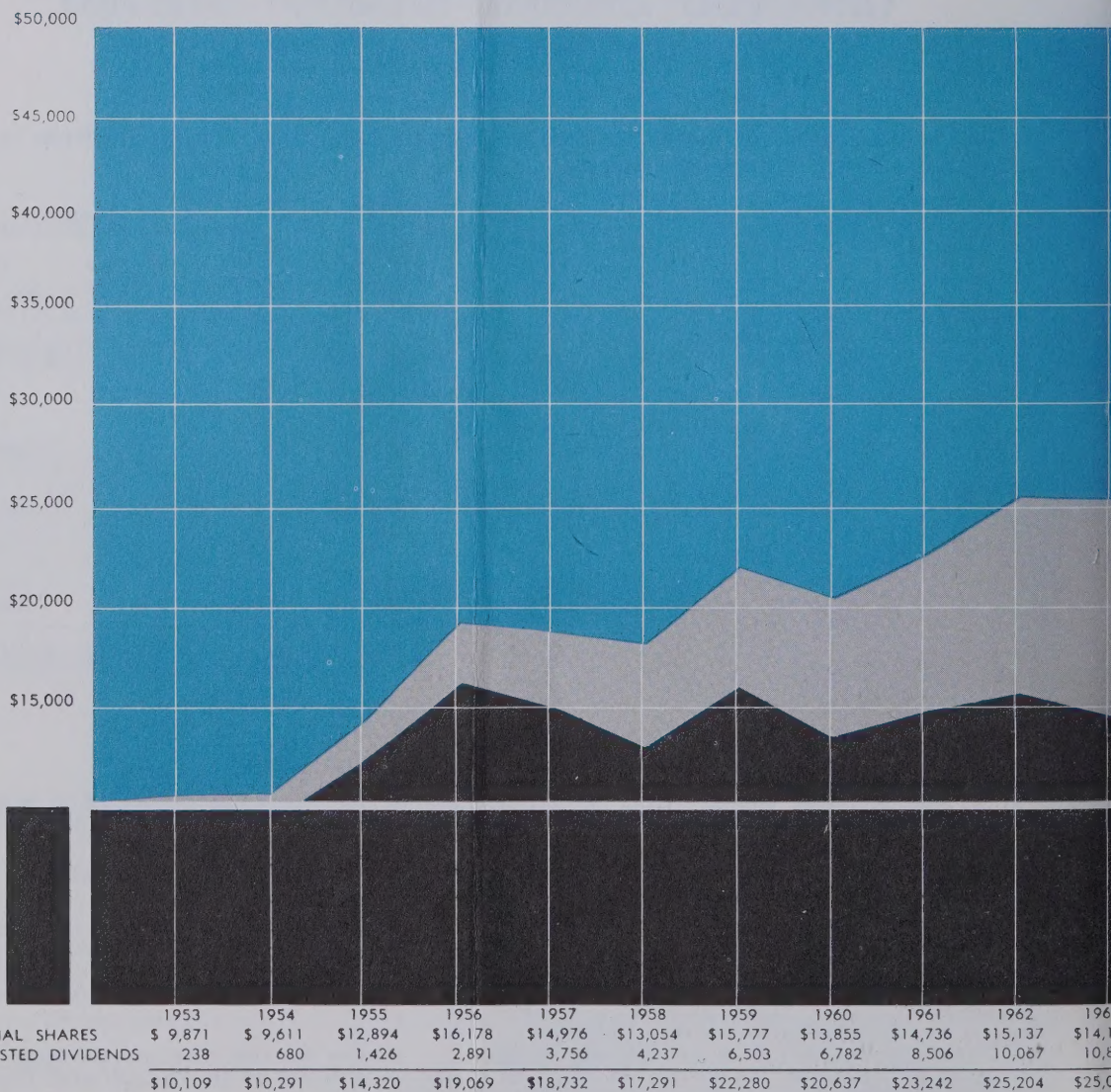
(b) The preferred shares issued were redeemed at par for cash immediately upon their issue.

- The mutual fund shares of the company are redeemable at the holder's option at the net asset value per share at the date of redemption.
During the year ended March 31, 1969, the company issued 932,606 mutual fund shares for \$4,281,304 and redeemed 1,151,008 mutual fund shares for \$5,192,196.
- Expenses for the year ended March 31, 1969 include \$17,188 paid as remuneration to directors.
- The balance sheet does not include comparative figures for the year ended March 31, 1968, as it is management's view that incorrect conclusions might be drawn from such figures due to continuous issuing of additional mutual fund shares.

GROUPED INCOME SHARES LIMITED GROUPED INVESTMENT SHARES (COMPOUND)

RECORD OF AN INVESTMENT — 1952-1969

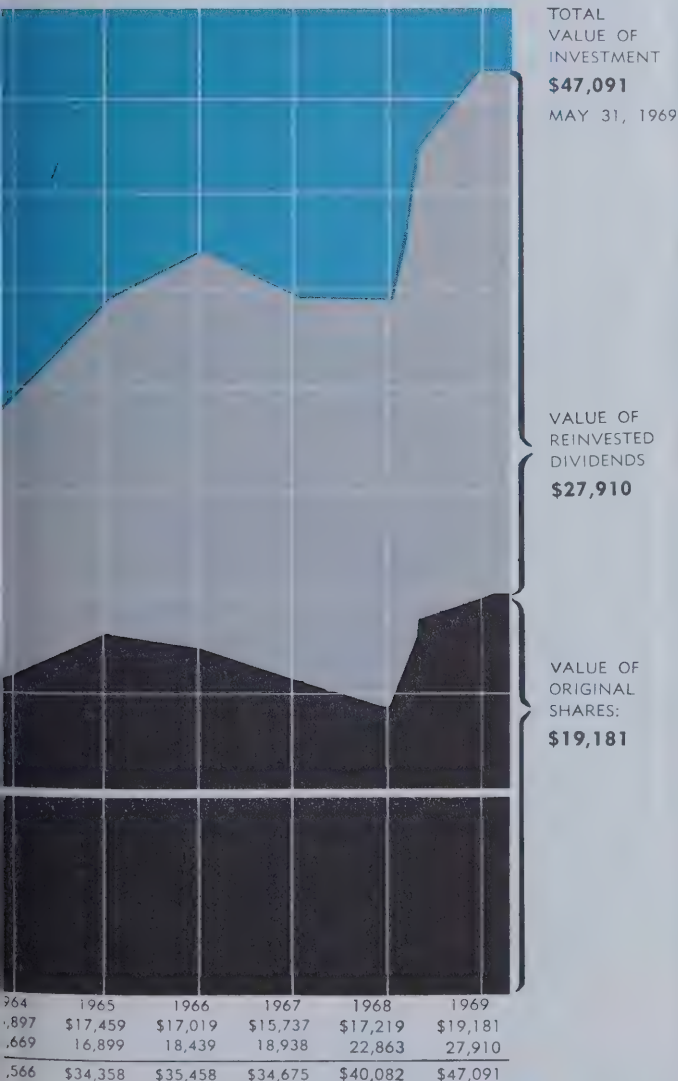
Shown below is the record of an assumed investment, made in G.I.S. on April 25, 1952, which indicates the results in respect to the original assets and the results on the basis of reinvested dividends paid per annum, on an investment of this size, and the total dividends paid over the seven



DIVIDENDS PAID PER FISCAL YEAR INCOME DIVIDENDS NON-TAXABLE STOCK DIVIDEND

\$ 232	\$ 440	\$ 457	\$ 1,034	\$ 1,105	\$ 996	\$ 1,315	\$ 1,151	\$ 1,189	\$ 1,325	\$ 1,330	\$ 1,330
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vided \$10,000 in initial net assets. The graph dividends. Below is a record of the cash dividends ar period.



TOTAL
VALUE OF
INVESTMENT
\$47,091
MAY 31, 1969

VALUE OF
REINVESTED
DIVIDENDS
\$27,910

VALUE OF
ORIGINAL
SHARES:
\$19,181

ACCUMULATED
DIVIDENDS:
STOCK **\$12,534**
INCOME **9,328**
\$21,862

5% DIVIDEND OBJECTIVE

The objective of G.I.S. dividend policy is to provide shareholders with a distribution of **not less than 5% per annum** on the average daily offer price of the fund's shares.

This policy makes it possible for the cash-dividend shareholder to invest in growth stocks and, at the same time, to enjoy a higher-than-average distribution. Such a distribution will come initially from the net income of G.I.S. with any additional amount required effectively to be derived from the increase in the asset value of G.I.S. shares or if insufficient in any particular case from a partial distribution of capital paid in.

Shareholders who prefer to re-invest dividends, automatically increase their participation in the growth potential of G.I.S., without additional cost, and, at the same time, retain the tax benefits described below.

INCOME TAX POSITION

In order to achieve the objective outlined above, G.I.S. supplements regular "income" dividends with "stock" distributions. The "stock" dividends paid by G.I.S. are not presently, and have not in the past been subject to Canadian Income Tax.

Whether their dividends are received in cash, or re-invested, G.I.S. shareholders may deduct, from tax payable, 20% of the amount received from income dividends. Such deductions are in accordance with Section 38 of the Income Tax Act and apply to dividends paid by most Canadian mutual funds.

The total amount of the "income" dividends paid to the shareholder each year will appear on the T-5 tax form prepared by the Trustee after the end of each year. The total amount of the "stock" distributions paid to the holder each year will not be included on the T-5 form.

GROUPED INCOME SHARES LIMITED

PORTFOLIO OF INVESTMENTS

AS AT MARCH 31, 1969

SECURITY	Number of Shares	MARKET VALUE
COMMON STOCKS		
AEROSPACE AND ELECTRONICS (8.86%)		
*Alloys Unlimited, Inc.	10,000	\$ 423,773
*Avco Corp. Warrants	40,000	500,456
*C. T. S. Corporation	20,000	473,550
*General Dynamics Corp.	20,000	874,453
*Lear-Siegler Inc.	20,000	489,693
CONSUMER PRODUCTS AND MERCHANDISING (22.48%)		
*Big Apple Supermarkets	35,000	583,866
Carrier Shoe Company Limited	40,000	630,000
Crush International Ltd.	177,000	2,079,750
Consumers Distributing Co.	10,000	340,000
Fields Stores Ltd.	10,000	285,000
*Genesco Incorporated	15,000	623,552
Harvey's Foods Ltd.	30,000	292,500
*Londontown Manufacturing Co.	10,000	359,198
*Rapid American Corp.	5,000	174,891
*Rapid American Corp. Warrants	10,000	123,769
*Rayette Faberge, Inc.	5,000	326,911
*Sperry and Hutchinson	9,000	420,141
Steinberg's Limited	30,000	371,250
Superpack Corporation Ltd.	20,000	395,000
DRUGS AND CHEMICALS (2.53%)		
*Beecham Inc.	12,200	492,384
*International Chemical & Nuclear Corporation	7,500	** 297,045
ENTERTAINMENT (3.70%)		
Famous Players Canadian Corporation Limited	60,000	1,155,000
FINANCE AND INSURANCE (4.97%)		
*American General Insurance Co.	40,000	984,768
Industrial Life Assurance Co.	14,500	565,500

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)



SECURITY	Number of Shares	MARKET VALUE
FOREST PRODUCTS (1.91%)		
Crestbrook Forest Industries Ltd.	35,000	\$ 595,000
MANUFACTURING (11.63%)		
*Allis Chalmers Mfg.	20,000	602,700
Atco Industries Ltd.	30,000	510,000
*Gould National Batteries	12,000	679,652
I.T.L. Industries Ltd.	20,000	435,000
*Seagrave Corp.	6,528	361,827
*Studebaker Worthington Corp.	10,000	573,103
*Wallace Murray Corporation	12,600	461,067
METALS AND MINING (5.04%)		
Alcan Aluminum Limited	20,000	652,500
*Consolidated African Selection Trust	25,000	225,000
Kerr-Addison Mines Ltd.	20,000	317,500
Sherritt Gordon Mines Ltd.	32,000	376,000
OFFICE EQUIPMENT (6.95%)		
Moore Corporation Limited	15,000	461,250
*The Rank Organization Ltd. "A"	150,000	1,706,250
PETROLEUM (10.92%)		
Canadian Petrofina Limited	21,500	419,250
Canadian Superior Oil Ltd.	15,000	783,750
Gulf Oil Canada Ltd.	7,400	327,450
Hudson Bay Oil & Gas Co. Ltd.	15,000	511,875
*Superior Oil of Nevada	3,000	636,064
Union Oil Company of Canada Limited	17,000	726,750
PUBLIC UTILITIES (4.50%)		
International Utilities Corp.	8,000	350,000
*Liquid Carbonics Ind. Inc.	15,000	64,575
Northern and Central Gas Corporation Limited	40,000	800,000
Nova Scotia Light and Power Company Limited	22,000	187,000

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)

SECURITY	Number of Shares	MARKET VALUE
REAL ESTATE AND BUILDINGS (.16%)		
Canadian Interurban Properties Ltd.	7,500	\$ 48,750
TRANSPORTATION (3.00%)		
Kenting Aviation Limited	5,000	100,000
*Northwest Industries Inc.	1,800	158,370
Pacific Western Airlines Ltd.	23,000	350,750
*Tri-State Motor Transit Co.	12,000	324,489
PREFERRED SHARES (2.28%)		
Canadian Interurban Properties Ltd., 7% pfd.	15,000	185,625
Kenting Aviation - 6% conv. pfd. "B"	5,000	100,000
Laurentide Financial Corporation Limited - \$2.00 cum. conv. 2nd Pfd.	13,700	291,125
Quebec Natural Gas - cum. red. 5.40%	2,015	133,997
DEBENTURES (9.98%)		
	Par Value	
Acklands Limited - conv. "A" 7½%, 6/15/88	\$350,000	437,500
*Allegheny Airlines, 5¼% conv. 10/1/93	\$400,000	490,770
*American Motors Corp., 6% conv. notes/wts., 10/1/88	\$350,000	376,688
Focal Properties Limited 7½% conv., 2/28/74	\$500,000	500,000
General Impact Extrusions Ltd. - 7½% conv.	\$200,000	210,000
Kenting Aviation - 7½% S.F. conv. "A"	\$200,000	200,000
Scurry-Rainbow Oil Limited conv. sub. 7¼% 5/1/88	\$400,000	400,000
Wardair Canada Ltd. - conv. "A" 6½%, 9/15/82	\$325,000	325,000
Western Mines Limited (N.P.L.) income debs. 6% 6/73	\$180,000	169,200
		<u>\$30,828,277</u>

* United States and Foreign investments are expressed in Canadian dollars for average cost at the prevailing rate of exchange at the time of purchase and for market value at the prevailing rate of exchange at March 31, 1969.

**The market value has been reduced by 20% to reflect the discount obtained at the time of purchase resulting from temporary restrictions that would apply on the sale of these shares before November 30, 1969.

Percentages indicate the market value as a percentage of net assets.

As at March 31, 1969, Grouped Investment Shares (Compound) held 763,107 Grouped Income Shares Limited shares of the total 6,755,732 Grouped Income Shares Limited shares then outstanding. This established a participation of approximately 11.29% by Grouped Investment Shares (Compound) in the foregoing investment portfolio.

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)



GROUPED INVESTMENT SHARES (COMPOUND)

ASSETS AND LIABILITIES AS AT MARCH 31, 1969

ASSETS

INVESTMENT IN GROUPED INCOME SHARES LIMITED

763,107 mutual fund shares at redemption value (Average cost - \$3,239,686)	\$3,525,554
CASH	88,430
AMOUNTS DUE FROM BROKERS	83,652
INCOME RECEIVABLE	3,408
	<u>3,701,044</u>

LIABILITIES

AMOUNTS DUE TO BROKERS AND OTHERS	175,490
NET ASSETS, represented by 319,915 units of no par value	<u>\$3,525,554</u>

Signed on behalf of the Manager:

A. D. Johnstone, Director

B. W. Wilson, Director

STATEMENT OF EARNINGS FOR THE PERIOD OCTOBER 1, 1965 TO MARCH 31, 1969

	1969	1968	1967	6 Months to March 31 1966
INCOME				
Dividends from Grouped Income Shares Limited	\$ 150,236	\$ 73,100	\$ 24,041	\$ 3,892
EXPENSES				
Trustee fees	3,792	3,577	842	—
Filing fees	425	910	1,305	—
Legal and audit fees	350	600	561	—
Printing and other expenses	1,666	1,550	954	—
	<u>6,233</u>	<u>6,637</u>	<u>3,662</u>	<u>—</u>
NET EARNINGS FOR THE YEAR	<u>\$ 144,003</u>	<u>\$ 66,463</u>	<u>\$ 20,379</u>	<u>\$ 3,892</u>

STATEMENT OF CHANGES IN INVESTMENTS FOR THE PERIOD OCTOBER 1, 1965 TO MARCH 31, 1969

	1969	1968	1967	6 Months to March 31 1966
INVESTMENT at average cost, beginning of year	\$1,787,612	\$ 697,216	\$ 148,285	\$ 135,405
Add				
Cost of investment purchased	1,701,310	1,270,948	630,254	22,762
	<u>3,488,922</u>	<u>1,968,164</u>	<u>778,539</u>	<u>158,167</u>
Deduct				
Proceeds of investment sold	277,746	185,828	81,313	10,263
Gain (loss) on sale of investment	28,510	5,276	(10)	381
Cost of investment sold	<u>249,236</u>	<u>180,552</u>	<u>81,323</u>	<u>9,882</u>
INVESTMENT at average cost, end of year	<u>\$3,239,686</u>	<u>\$1,787,612</u>	<u>\$ 697,216</u>	<u>\$ 148,285</u>

GROUPED INVESTMENT SHARES (COMPOUND)

STATEMENT OF CHANGES IN NET ASSETS FOR THE PERIOD OCTOBER 1, 1965 TO MARCH 31, 1969

	1969	1968	1967	6 Months to March 31 1966
NET ASSETS, beginning of year	\$1,705,601	\$ 727,396	\$ 149,758	\$ 135,405
Add				
Proceeds on sale of units (Note 2)	1,535,210	1,213,015	623,443	18,869
Net income from investment	144,003	66,463	20,379	3,892
Gain (loss) on sale of investment	28,510	5,276	(10)	381
Unrealized appreciation (depreciation) of investment	389,976	(120,721)	15,139	1,474
	3,803,300	1,891,429	808,709	160,021
Deduct				
Redemption of units	277,746	185,828	81,313	10,263
NET ASSETS, end of year	<u>\$3,525,554</u>	<u>\$1,705,601</u>	<u>\$ 727,396</u>	<u>\$ 149,758</u>
NET ASSET VALUE PER SHARE	<u>\$ 11.02</u>	<u>\$ 8.44</u>	<u>\$ 8.43</u>	<u>\$ 8.71</u>

STATEMENT OF UNREALIZED APPRECIATION (DEPRECIATION) OF INVESTMENTS FOR THE PERIOD OCTOBER 1, 1965 TO MARCH 31, 1969

	1969	1968	1967	6 Months to March 31 1966
UNREALIZED APPRECIATION (DEPRECIATION), beginning of year	\$ (104,108)	\$ 16,613	\$ 1,474	\$ —
Net change during year	389,976	(120,721)	15,139	1,474
UNREALIZED APPRECIATION (DEPRECIATION), end of year	<u>\$ 285,868</u>	<u>\$ (104,108)</u>	<u>\$ 16,613</u>	<u>\$ 1,474</u>

NOTES TO FINANCIAL STATEMENTS AS AT MARCH 31, 1969

- For several years prior to September 30, 1965, the fund's activities were restricted to redeeming its units at the request of unitholders. On October 1, 1965, the fund re-commenced the sale of its units. Consequently, the statement of income is shown from such date.
- At the unitholder's option, units are redeemable, or convertible into mutual fund shares of Grouped Income Shares Limited held by the fund. The number of units which may be issued is unlimited.
During the year ended March 31, 1969, the Company issued 144,184 units for \$1,535,210 and redeemed 26,359 units for \$277,746.
- The assets and liabilities statement does not include comparative figures for the year ended March 31, 1968, as it is management's view that incorrect conclusions might be drawn from such figures due to continuous issuing of additional units.

GROUPED INCOME SHARES LIMITED GROUPED INVESTMENT SHARES (COMPOUND)



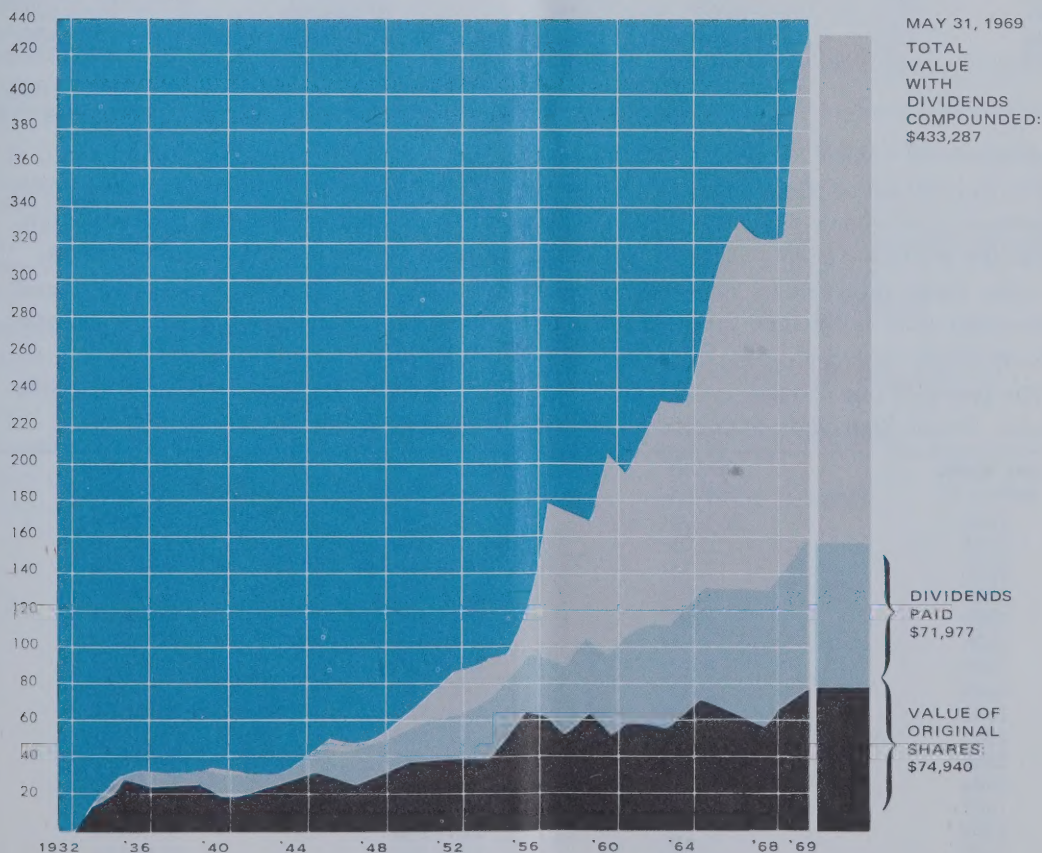
RECORD OF INVESTMENT — 1932-1969

G.I.S. Series "A" 1932-1951 G.I.S. Limited 1952-1969

The purchase of mutual fund shares should be considered by the shareholders only as a long-term investment. Because of the very nature of this kind of investment there is, in most cases, little advantage to be gained by the shareholder who redeems his interest within 5 or 10 years and the greatest advantage to be gained by the shareholder who maintains his investment over a period of 20 or 30 years, or more.

In order properly to judge the merits of a mutual fund investment, the prospective shareholder should be enabled to observe investment results over a long period. Ideally, this period would include every conceivable market experience, but this is not always possible in the case of relatively new mutual funds.

For this reason we show on this page the history of an assumed investment made in G.I.S. Series "A" in 1932, which provided initial assets of \$10,000. G.I.S. Series "A" was a 20-year investment trust which terminated in 1951. It is assumed that the liquidated proceeds of this investment were invested in Grouped Income Shares Limited, the successor to G.I.S. Series "A," at its initial offering in 1952.



Records such as this, and others which appear in this report, are those of past performances only and should not be taken as indications of future performance.

GROUPED INCOME SHARES LIMITED
GROUPED INVESTMENT SHARES (COMPOUND)



RECORD OF GROWTH AND DIVIDENDS

YEAR ENDED MARCH 31	DIVIDENDS *		TOTAL	TOTAL NET ASSETS	SHARES OUTSTANDING
	INCOME	STOCK			
1953	5.75¢	—	5.75¢	\$ 687,366	141,011
1954	10.55	—	10.55	932,310	183,514
1955	10.50	—	10.50	839,812	130,408
1956	12.75	10.00¢	22.75	2,229,065	553,995
1957	10.75	12.14	22.89	4,557,140	1,224,594
1958	9.50	10.00	19.50	5,158,623	1,599,334
1959	14.20	10.00	24.20	7,997,708	2,050,063
1960	9.95	10.00	19.95	8,419,781	2,468,349
1961	9.50	10.00	19.50	11,619,331	3,161,276
1962	9.55	11.00	20.55	16,389,039	4,342,047
1963	9.50	10.00	19.50	17,990,307	5,117,747
1964	8.00	11.50	19.50	21,474,024	5,416,100
1965	7.75	16.25	24.00	24,830,014	5,700,655
1966	8.25	15.75	24.00	28,555,094	6,944,401
1967	7.00	14.00	21.00	27,750,715	7,100,827
1968	5.50	16.50	22.00	25,939,587	6,974,134
1969	4.50	20.25	24.75	31,168,160	6,755,732

*Adjusted for 2-for-1 stock split effected October 24, 1955.

ACCUMULATION PLAN \$100 Per Month in G.I.S.

The investment of fixed sums of money, at regular intervals, enables the shareholder to purchase more shares when the market is low, and fewer shares when the market is high, so that the average cost per share is less than the average market price of the shares.

Many G.I.S. shareholders take advantage of this principle of "dollar averaging" (and at the same time build their accounts to more substantial proportions) through periodic purchase plans arranged with their investment dealers.

The record of one of these accumulation plans, on the basis of \$100 per month invested in G.I.S. Estate Plan with dividends reinvested, is shown here in tabular form:

YEAR ENDED MARCH 31	AMOUNT INVESTED	NUMBER OF SHARES HELD	TOTAL VALUE OF INVESTMENT
1953	\$ 1,100	229.563	\$ 1,122.56
1954	2,300	499.094	2,435.58
1955	3,500	686.319	4,461.07
1956	4,700	1,782.028	7,199.39
1957	5,900	2,162.108	8,086.28
1958	7,100	2,641.846	8,612.42
1959	8,300	3,093.028	12,186.53
1960	9,500	3,587.141	12,411.51
1961	10,700	4,097.425	15,078.52
1962	11,900	4,647.888	17,569.02
1963	13,100	5,230.424	18,515.70
1964	14,300	5,832.118	23,153.51
1965	15,500	6,413.548	27,963.07
1966	16,700	7,077.643	30,079.98
1967	17,900	7,766.613	30,522.79
1968	19,100	8,511.882	31,834.44
1969	20,300	9,249.135	42,546.02

DIRECTORS AND GOVERNORS

THE HONOURABLE LOUIS P. BEAUBIEN,
Chairman of the Board

SENATOR, SENATE OF CANADA

SIR MICHAEL BUTLER, Bart., Q.C.,
Vice-President

ONE OF HER MAJESTY'S COUNSEL

Associate, Farris, Farris, Vaughan, Wills &
Murphy, Vancouver, B.C.

JOHN R. DAVIDSON,
Partner, Davidson, Davidson, Neil & Dirk,
Regina, Sask.

J. FIRSTBROOK ELLIS,
President, Henry Birks & Sons (Ont.) Ltd.

A. RUSSELL HARRINGTON,
President, General Manager and Director, Nova Scotia
Light & Power Company Limited.

ALAN D. JOHNSTONE,
SECRETARY
President, Grouped Fund Distributors Limited

FREDERICK W. P. JONES,
PROFESSOR, Formerly Dean of the School of Business
Administration, University of Western Ontario.

JOHN D. LEISHMAN, M.D.,
Chairman, Traders Hotels Ltd.

JOHN C. MAYNE,
Chairman, Calgary Brewing and Malting Company
Limited

VICTOR F. MacLEAN,
President, Kelly Douglas & Co. Ltd.

GEORGE B. McKEEN,
President, Straits Towing Limited (Marine)

FRANK H. SOBEY,
Chairman, Sobeys Stores Limited

ALVIN J. WALKER,
Director, Holt, Renfrew and Co. Limited

NORMAN E. WHITMORE,
President, Whitmores Limited

LOWELL J. WILLIAMSON,
PRESIDENT
President, M.G.F. Management Limited

OFFICERS

THE HONOURABLE LOUIS P. BEAUBIEN
Chairman of the Board

LOWELL J. WILLIAMSON
President

SIR MICHAEL BUTLER, Bart., Q.C.
Vice-President

ALAN D. JOHNSTONE
Secretary

BARRIE W. WILSON
Treasurer



OFFICES

808 - 111 Richmond Street West
Toronto 1, Ontario

1177 West Hastings Street
Vancouver 1, B.C.

REGISTRAR, TRANSFER AGENT, CUSTODIAN OF
SECURITIES AND DIVIDEND DISBURSING AGENT

NATIONAL TRUST COMPANY LIMITED

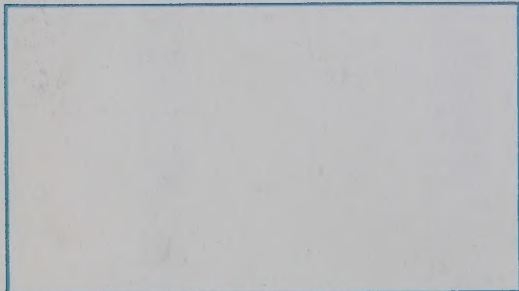
TRANSFER FACILITIES

NATIONAL TRUST COMPANY LIMITED
Vancouver, Calgary, Winnipeg,
Toronto, Montreal

CANADA PERMANENT TRUST COMPANY
Saint John, N.B.; Halifax, N.S.

AUDITORS

RIDDELL, STEAD & Co.
Chartered Accountants



Handwritten signature or initials.

Grouped Income
Shares Limited

Grouped Investment
Shares (Compound)

ANNUAL REPORT

YEAR ENDED MARCH 31, 1969